

OPPOSING APARTHEID **Banks should do their share**

The Commonwealth foreign ministers' call for increased financial pressure on South Africa is a direct challenge to bankers. A challenge they should accept.

In coming months, Commonwealth officials will ask the banks to make things more difficult for the racist South African régime by imposing tough repayment terms on the country's \$21-billion U.S. foreign debt.

The foreign ministers who met in Australia earlier this week noted that a major portion of this debt will soon be up for renegotiation. Bankers should not use this process to force South Africa into default, the ministers said, but they should impose the highest possible interest rates and refuse to extend debt repayments over a 10-year period.

The proposal is modest. There is no suggestion that bankers should call in their debts to force a financial crisis. And no hint at the possibility of legislation forcing banks to get tough.

The ministers clearly understand the art of the possible. Mere "suggestions" won't convince banks to call in their loans without cause. And few countries are prepared to legislate bankers' morality.

South Africa owes Canadian banks a relatively modest debt of between \$100 million and \$150 million. Even so, the loan conditions should be toughened. And bank executives should abide by the letter and the spirit of existing financial sanctions. Before the deal collapsed earlier this year, for instance, the Bank of Nova Scotia was ready to loan \$600 million to a South African-controlled company on the grounds that its headquarters is in Luxembourg. Canada has a voluntary ban on bank loans to the South African government and private sector.

Bankers are being asked to do their bit in the fight against apartheid. They should rise to the occasion.